

Mr M Harris

Mrs Goldhill PS/SoS

From: R J Moore HS1A

/Date: 17 November 1988

cc. Miss Harper PS(MS(H)
Mrs Kirk PS PS(H)
Mr Heppell
Mr Cashman HS
Dr Pickles Med SEB
Mr Arthur HS1
file: HIM10.

THE MACFARLANE TRUST

Secretary of State asked some follow-up questions to Mr Arthur's minute of 27 October.

Why has only £132,000 been paid out of £10 million?

1. The Trust was only established in March 1988. The initial priority of the Trustees was to contact all potential beneficiaries to establish a likely level of demand whilst formulating an allocation policy. The amount paid out necessarily began slowly but is now rising rapidly as more applications are received and dealt with. The current amount paid out is £200,000 which will double shortly as backdated payments are made to some beneficiaries. All applications need careful scrutiny, a fair number of fraudulent or unrealistic claims have been received.

What plans do the Trust have for the £10 million?

2. The Trustees see the need to support dependents of those who die as a major call on the £10 million. They are investigating ways in which they can help with mortgage payments and life insurance. Meanwhile they are increasing the number of beneficiaries receiving weekly maintenance payments and those being given lump sums for holidays, domestic appliances etc.

How long do the Trust expect the sum to last?

3. The Trustees do not at present have any definite expectations since they have not yet plumbed the total need. They are concentrating on meeting financial need which they are interpreting as alleviating poverty. They are aware that their responsibility to dependents will remain for many years to come. They are responsibly husbanding their resources since they are aware that the Trust might not get anymore money from Government.

What did Mr Newton say the intention of the Trust was?

4. When announcing the ex-gratia award in November 1987, Mr Newton advised:

"We therefore propose to make an ex-gratia grant of £10m to the Haemophilia Society to enable it to establish a special trust fund. It will be able to make payment to the affected individuals and families throughout the United Kingdom and to do so with greater flexibility than could readily be achieved in any other way"

This policy was incorporated in the Trust Deed, a copy of which is at Appendix 1.

5. We are maintaining a close contact with the officers of the Trust and the Trustees. In our view they appreciate the urgency of the need and are not in any way complacent. They are tackling the complicated task given them in a responsible way. We can anticipate that the amount paid out in their first year which ends in March '89 will greater exceed this interim figure.

GRO-C

R J MOORE

A403/AFH

Ext GRO-C